

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 INRE-00 USIE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-07 FRB-03
INR-07 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02 TRSE-00
LAB-04 SIL-01 OMB-01 AGR-05 XMB-02 STR-04 SS-15
/104 W

-----281908Z 032612 /47

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E.O. 11652: N/A

TAGS: OECD

SUBJECT: AGENDA FOR MAY 10 XCSS MEETING

OECD DEPSECGEN ELDIN HAS GIVEN US ADVANCE TEXT OF
ANNOTATED AGENDA FOR MAY 10 XCSS MEETING. TEXT
FOLLOWS:

BEGIN TEXT:

AGENDA ITEM 2 - ECONOMIC RELATIONS BETWEEN MEMBER
COUNTRIES
A GLOBAL APPROACH

1. THE DISCUSSION UNDER THIS ITEM OF THE AGENDA IS TO
BE SEEN AS A CONTINUATION OF THE ONE THAT TOOK PLACE
AT THE 19TH SESSION OF THE COMMITTEE AND AS AN
OCCASION FOR DELEGATES TO SUGGEST MATTERS THAT COULD
BE TAKEN UP AT THE NEXT MEETING OF THE COUNCIL AT
MINISTERIAL LEVEL ON 22-23RD JUNE. THE SECRETARIAT
WILL DRAW ON THIS DISCUSSION TO PREPARE DOCUMENTS
THAT WILL BE SUBMITTED TO MINISTERS AFTER THEIR
EXAMINATION BY THE HEADS OF GOVERNMENT DELEGATIONS.

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2. DISCUSSION AT THE 19TH SESSION WAS BASED ON THE
SECRETARY GENERAL'S NOTE "ECONOMIC RELATIONS BETWEEN
MEMBER COUNTRIES: A GLOBAL APPROACH" (CE(77)3).
INTERVENTIONS AT THAT TIME CONCENTRATED ON THE GENERAL
ASPECTS OF THE MEDIUM-TERM STRATEGY TO ACHIEVE ADE-
QUATE GROWTH, THE REDUCTION OF UNEMPLOYMENT AND THE

RETURN TO PRICE STABILITY. THE SECRETARY GENERAL WILL INTRODUCE THE DISCUSSION AT THE 20TH SESSION, PROVIDING UP-DATED INFORMATION THAT IS AVAILABLE. NO FORMAL PROPOSALS FOR THE MINISTERIAL COUNCIL MEETING HAVE YET BEEN MADE BY THE SECRETARIAT, BUT THE COMMITTEE MAY WISH TO EXPRESS A VIEW ON WHAT MIGHT BE DONE AT THAT MEETING IN ORDER TO PRESS ON WITH THE IMPLEMENTATION OF THE MEDIUM-TERM STRATEGY. WHAT MEASURES, NATIONAL OR INTERNATIONAL, SHOULD BE PUT IN HAND TO FURTHER IMPLEMENT AND REINFORCE THE STRATEGY?

3. IN PARTICULAR, THE EXECUTIVE COMMITTEE IN SPECIAL SESSION MAY WISH TO REVIEW THE PROBLEMS RELATED TO THE FINANCING OF PAYMENTS IMBALANCES, IN THE LIGHT OF THE DISCUSSIONS AT THE IMF INTERIM COMMITTEE IN WASHINGTON ON 28/29 APRIL. WITH REGARD TO THE TRADE PLEDGE, THE EXECUTIVE COMMITTEE IN SPECIAL SESSION WILL BE INFORMED BY THE CHAIRMAN OF THE TRADE COMMITTEE OF THE STAGE REACHED IN THE DISCUSSIONS BY THAT COMMITTEE (CF.TC/M(77)1(PROV.), CONFIDENTIAL ANNEX). A CLEAR MAJORITY OF MEMBER COUNTRIES APPEARED TO BE IN FAVOR OF THE RENEWAL OF THE PLEDGE AS IT STANDS AND, AGAINST CERTAIN DOUBTS EXPRESSED THAT ROUTINE RENEWAL MIGHT HAVE LITTLE IMPACT, ARGUED THAT A RENEWED EXPRESSION OF GOVERNMENTS' DETERMINATION TO ABIDE BY THE DISCIPLINES OF THE TRADE PLEDGE WOULD CARRY, UNDER PRESENT CONDITIONS OF INCREASING PROTECTIONIST PRESSURES, CONSIDERABLE POLITICAL WEIGHT.

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4. THERE WAS AGREEMENT IN THE TRADE COMMITTEE THAT SUCH A RENEWED COMMITMENT HAS NOW TO BE CONSIDERED AS AN IMPORTANT SUPPORTING FACTOR IN THE FRAMEWORK OF THE MEDIUM-TERM STRATEGY AND IT WAS ALSO STRESSED THAT QUESTIONS OF PRESENTATION, INCLUDING UP-DATING OF CIRCUMSTANCES, MOTIVATION, ETC..., COULD BEST BE DEALT WITH IN THE WIDER CONTEXT OF THE IMPLEMENTATION OF THAT STRATEGY, POSSIBLY THROUGH THE COMMUNIQUE OF THE COUNCIL MEETING AT MINISTERIAL LEVEL. THE EXECUTIVE COMMITTEE MAY WISH TO CONSIDER WHETHER THE COMMUNIQUE OF THE MINISTERIAL MEETING MIGHT PROVIDE AN APPROPRIATE VEHICLE TO ELABORATE THE CURRENT CIRCUMSTANCES SURROUNDING THE DECISION OF GOVERNMENTS TO RENEW THE PLEDGE, AND TO ADD A WIDER POLITICAL DIMENSION TO THIS RENEWAL.

5. UNLIKE THE OTHER INTERLOCKING ELEMENTS OF THE ECONOMIC STRATEGY, THE PLEDGE, UNDER PRESENT ARRANGE-

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LAB-04 SIL-01 OMB-01 AGR-05 XMB-02 STR-04 SS-15
/104 W

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MENTS, HAS BEEN RENEWED EACH YEAR. THE UNDERLYING PROBLEMS RELATED TO THE ENERGY SITUATION THAT FACED THE OECD COUNTRIES IN 1974 WHEN THE PLEDGE WAS CONCEIVED REMAIN. FURTHERMORE, THE MEDIUM-TERM STRATEGY FOR MODERATE EXPANSION IMPLIES A PROLONGED PERIOD OF WEAK DEMAND, UNEMPLOYMENT AND SECTORAL PROBLEMS. THESE NEW FACTORS, WHICH ARE LIKELY TO PERSIST FOR SOME TIME, PROVIDE A NEW AND FORCEFUL ARGUMENT FOR RENEWAL OF THE PLEDGE. THE COMMITTEE MAY THEREFORE WISH TO EXAMINE WHETHER THE PRACTICE OF RENEWING THE TRADE PLEDGE AT ANNUAL INTERVALS REMAINS APPROPRIATE IN VIEW OF ITS CONTRIBUTION TO THE MEDIUM-TERM STRATEGY. THE PLEDGE MIGHT THEREFORE BE CONSOLIDATED FOR A LONGER PERIOD IN ORDER TO EMPHASEIZE THE IMPORTANCE OF ITS DISCIPLINES, AND THE WILLINGNESS OF GOVERNMENTS TO ABIDE BY THEM THROUGHOUT THE COURSE OF OECD'S MEDIUM-TERM STRATEGY, AIMED AT THE GRADUAL RESTORATION OF HIGH EMPLOYMENT CONDITIONS AND CAPACITY UTILIZATION, AS WELL AS THROUGHOUT THE PERIOD OF THE MULTILATERAL TRADE NEGOTIATIONS IN THE GATT.

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6. AGAINST THE BACKGROUND OF THE MULTILATERAL TRADE NEGOTIATIONS, AND OF THE TRADE PLEDGE RENEWAL, DELEGATIONS MAY WISH TO ASSESS THE GENERAL TREND TOWARDS MORE PUBLIC INTERVENTION IN THE INDUSTRIES OF MEMBER COUNTRIES, AND THE ATTEMPTS MADE TO MODERATE INTERNATIONAL COMPETITION IN SOME FIELDS (SHIP-BUILDING, TEXTILES, ETC.), WITH A VIEW TO IDENTIFYING WAYS OF PRESERVING THE BENEFITS OF A MARKET-ORIENTED WORLD ECONOMY WHILE AT THE SAME TIME RECOGNIZING THE SOCIAL PROBLEMS THAT EXIST AND THE NEED TO DEAL WITH THEM IN AS HUMANE A FASHION AS POSSIBLE.

AGENDA ITEM 3 - RELATIONS WITH DEVELOPING COUNTRIES

1. THE 20TH SPECIAL SESSION FALLS SHORTLY AFTER THE CIEC CO-CHAIRMEN'S MEETING RELAUNCHING THE CONFERENCE AND DURING THE FINAL PHASE OF THE CONTACT GROUPS. IT WILL ALSO BE THE LAST OCCASION FOR THE COMMITTEE TO MEET BEFORE THE CIEC MINISTERIAL MEETING. THE MEETING WILL THEREFORE PROVIDE AN OPPORTUNITY FOR ALL MEMBER COUNTRIES TO TAKE STOCK OF LATEST DEVELOPMENTS AND EXCHANGE VIEWS ABOUT THE CURRENT SITUATION INCLUDING THE PROSPECTS FOR THE OUTCOME OF THE CIEC MINISTERIAL MEETING.

2. IN ADDITION, THE COMMITTEE MAY WISH TO REVERT TO THE QUESTION OF THE LONG-TERM PROSPECTS FOR THE DIALOGUE, I.E. THE POST-CIEC SITUATION. FOR THIS PURPOSE THE QUESTIONS RAISED IN THE ANNOTATIONS TO THE AGENDA OF THE 19TH SESSION (CE/A(77)4(1ST REVISION) ANNEX) ARE STILL RELEVANT. IT IS EXPECTED THAT DISCUSSION WOULD EMBRACE BOTH LONG-TERM RELATIONSHIPS WITH THE DEVELOPING COUNTRIES, AND THE PROBLEM OF THE SHAPE THAT THE DIALOGUE MIGHT TAKE IN THE FUTURE. ON THIS LATTER ISSUE, THE OPTIONS WOULD APPEAR TO INCLUDE LIMITED OFFICIAL USE

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A REVERSION TO PRE-CIEC RELATIONSHIPS, CONTINUATION OF SOME CIEC-TYPE RELATIONSHIPS, CONTINUATION OF SOME CIEC-TYPE ARRANGEMENTS, OR A NEW FORM OF DIALOGUE; IF THE LATTER TWO TYPES, WHAT WILL BE THEIR FUNCTION? WOULD IT BE MAINLY TO TAKE STOCK OF THE VARIOUS DISCUSSIONS GOING ON IN OTHER FORA?, TO PROVIDE IMPULSES

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FOR INDIVIDUAL NEGOTIATIONS?, OR TO INITIATE NEW DEVELOPMENTS? AS TO THE LONGER-TERM RELATIONSHIP WITH THE DEVELOPING COUNTRIES, THE OECD COUNTRIES WILL HAVE TO GIVE CAREFUL CONSIDERATION TO THE ROLE THEY INTEND TO PLAY TOGETHER. THE CIEC HAS PROVIDED THE INDUSTRIAL COUNTRIES WITH A UNIQUE OPPORTUNITY TO STRENGTHEN THEIR CO-ORDINATION. IT SHOULD BE POSSIBLE TO BUILD UPON THE MANY POSITIVE BENEFITS THIS CO-ORDINATION HAS BROUGHT, AND AT THE SAME TIME IMPROVE SUCH SHORTCOMINGS AS MIGHT HAVE EMERGED. IN THIS CONNECTION THE COMMITTEE WILL BE REMINDED OF THE CONCLUSIONS REACHED AT ITS 18TH SESSION (CES/CRE(76)16-ANNEX II) ON THE ADVISABILITY OF DEVELOPING AMONG INDUSTRIALIZED COUNTRIES A JOINT LONG-TERM CONCEPTION OF THEIR RELATIONSHIPS WITH THE DEVELOPING COUNTRIES.

3. QUITE APART FROM THE INSTITUTIONAL ARRANGEMENTS THAT MIGHT EMERGE IN THE POST-CIEC PERIOD, IT WILL BE IMPORTANT TO IDENTIFY THE TOPICS THAT WILL FORM THE SUBSTANCE OF THE FUTURE DIALOGUE. A NUMBER OF ISSUES
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WILL REQUIRE FURTHER ELABORATION OR WILL EVENTUALLY
REMAIN UNSOLVED AFTER THE CLOSE OF CIEC DISCUSSIONS;
A NUMBER OF OTHER ITEMS WILL COME TO THE FORE RATHER
RAPIDLY AT THE REQUEST OF DEVELOPING COUNTRIES OR AS
PARTS OF AGENDAS ALREADY PROPOSED. CONSIDERATION
MIGHT, FOR INSTANCE, BE GIVEN TO THE FUTURE HANDLING
OF SUCH SUBJECTS AS INVESTMENT, TRADE, INDEBTEDNESS,
RAW MATERIALS AND ENERGY, AND THE LAW OF THE SEA. IT
WOULD ALSO BE USEFUL TO IDENTIFY OTHER COMING PROBLEMS
THAT COULD BE EXAMINED IN THE DIALOGUE AT LARGE.
END TEXT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, MEETING AGENDA
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OECDP12533
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770149-0001
Format: TEL
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977049/aaaaahkk.tel
Line Count: 290
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 276479aa-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2903865
Secure: OPEN
Status: NATIVE
Subject: AGENDA FOR MAY 10 XCSS MEETING OECD DEPSEC GEN ELDIN HAS GIVEN US ADVANCE TEXT OF ANNOTATED AGENDA FOR MAY 10 XCSS MEETING. TEXT
TAGS: PORG, EAID, OECD
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/276479aa-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009